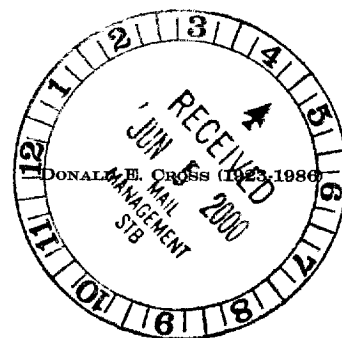


198908

LAW OFFICES
REA, CROSS & AUCHINCLOSS
SUITE 570

THOMAS M. AUCHINCLOSS, JR.
LEO C. FRANEY
JOHN D. HEFFNER
KEITH G. O'BRIEN
BRYCE REA, JR.
BRIAN L. TROLANO

1707 L STREET, N.W.
WASHINGTON, D. C. 20036
(202) 785-3700
FACSIMILE: (202) 659-4934



June 5, 2000

BY HAND

Hon. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

ENTERED
Office of the Secretary

JUN 05 2000

Part of
Public Record

Re: STB Ex Parte No. 582 (Sub-No. 1),
Major Rail Consolidation Procedures

Dear Mr. Williams:

Enclosed for filing in the above matter is the original and 25 copies of the Reply Statement of Mayo Foundation d/b/a Mayo Clinic. Also enclosed is a 3 1/2" computer disk in WordPerfect 6.0 format containing the filing on behalf of Mayo Foundation.

Please advise if anything else is needed.

Sincerely,

Keith G. O'Brien
Counsel for:
Mayo Foundation d/b/a
Mayo Clinic

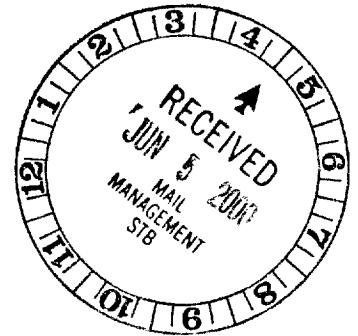
ENTERED
Office of the Secretary

JUN 05 2000

Part of
Public Record

ORIGINAL

BEFORE THE
SURFACE TRANSPORTATION BOARD



STB EX PARTE NO. 582 (Sub-No. 1)
ADVANCE NOTICE OF PROPOSED RULEMAKING

RECEIVED
Office of the Secretary

JUN 05 2000

Part of
Traffic Record

REPLY OF MAYO FOUNDATION
d/b/a MAYO CLINIC

Keith G. O'Brien
Rea, Cross & Auchincloss
1707 L Street, N.W.
Suite 570
Washington, DC 20036
(202) 785-3700

Counsel for:
Mayo Foundation d/b/a
Mayo Clinic

DATED: June 5, 2000

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB EX PARTE NO. 582 (Sub-No. 1)
ADVANCE NOTICE OF PROPOSED RULEMAKING

Reply Of Mayo Foundation
d/b/a Mayo Clinic

In accordance with the schedule established by the Advance Notice of Proposed Rulemaking served on March 31, 2000, the Mayo Foundation d/b/a Mayo Clinic ("Mayo Clinic") hereby submits its reply statement concerning initial comments which were filed in this proceeding. As previously noted the Foundation concentrates its interests and resources on protection and advancement of human life by providing the best healthcare at extensive facilities located in Rochester, Minn. and elsewhere throughout the country. Consistent with its initial statement Mayo Clinic's reply will focus specifically on emergency service, public health and quality of life issues.

Upon reviewing initial statements filed in this proceeding Mayo Clinic is all the more concerned by the magnitude and extent of problems being experienced by communities in the areas of public health, emergency services and quality of life as a direct result of the recent Conrail transaction. Based on actual experience, as documented in submissions to the Board, it is clear substantial changes are needed to ensure that compelling public interest concerns are not sacrificed for private gain. In

that regard Mayo Clinic's reply addresses specific issues and proposed actions as set forth in statements filed by the City of Cleveland, the State Of Ohio and the U.S. Department of Transportation.

City of Cleveland

Mayo Clinic is alarmed by the adverse experience of the City of Cleveland resulting from increased rail traffic and alterations in railroad operations attributable to the Conrail transaction. In its submission Cleveland states that it has experienced two major incidents where trains blocked crossings for several hours. As a result affected residents were faced with the reality of possible delays in police, fire and emergency services (Cleveland Statement, p. 5). Cleveland also expresses serious concern as to effects of unanticipated train vibration and noise from increased rail traffic (Cleveland Statement, p. 5 and 7).

Cleveland emphasizes that it can be difficult for local communities to motivate railroads to effectively maintain railroad sites by removing debris and vegetation which is causing potential health hazards. The City urges that basic quality of life issues such as clean-up and maintenance of railroad property should be addressed by the Board in adopting new regulations. Cleveland also expresses grave concern as to the well being of nearby residents who may have allergy problems. In this regard, the City relates that a resident recently experienced an allergic reaction to rail ties treated with creosote which were stored on

rail property near her home. Mayo Clinic is very much concerned with storage or movement of hazardous materials within communities.

Based on these direct experiences, Cleveland emphasizes that the burdens imposed on citizens adjoining rail lines affected by increases in rail traffic can be far-reaching and potentially devastating. Mayo Clinic agrees and joins with Cleveland in urging the Board to amend its regulations as necessary to ensure that the interests of neighboring communities are thoroughly evaluated and protected.

State of Ohio

The State of Ohio draws attention to the plight of its own communities resulting from the recent split of Conrail as a clear example as to where current STB practice and procedures have failed. Ohio emphasizes that despite its own best efforts and those of local Ohio communities to demonstrate that grade separations would be needed as a result of increased train traffic congestion on certain rail lines, the Board did not mandate a single grade separation for Ohio in the Conrail proceeding. As a result Ohio taxpayers are now faced with a bill of \$180 Million over the next 10 years as needed to alleviate severe problems directly related to the Conrail decision (Ohio Statement p. 3). Mayo Clinic joins with the State of Ohio in urging the Board to work with states (and local communities) to improve the accountability of the railroads for actions they take in their own self interest (Ohio Statement p. 12).

U.S. Department of Transportation

The U.S. Department of Transportation ("DOT") urges that the Board must require more extensive quantification of public benefits of major rail combinations and a more detailed accounting of the investment and operational steps proponents will take to ensure that asserted benefits are realized and risks avoided (DOT Statement, p. 3). The DOT urges a new environmental approach which must allow for the fact that the railroads and affected communities need to reach agreement in order to implement most mitigation measures (DOT Statement, p. 28). DOT recognizes that in densely developed areas it may be difficult to implement grade separations without negative impacts on communities. Consequently, DOT encourages the Board to consider new approaches that may be more effective to reduce environmental problems and may also work to cooperatively resolve existing problems (DOT Statement, p. 29). Mayo Clinic joins in urging the Board to carefully consider alternative proposals where grade separation projects may be overly intrusive within a community.

DOT recommends that the Board consider requiring the application and attendant environmental review to cover railroad infrastructure projects needed to meet rail traffic growth projections and to provide quality service. DOT urges that this approach would help ensure that a merger decision is based on the infrastructure that really is needed to implement it.

DOT indicates that the Federal Railroad Administration ("FRA") is considering expanding Safety Integration Plan ("SIP") Guidelines to cover new issues that have emerged as a result of the Conrail acquisition and expects to tailor individual SIP's to meet the specifics of any merger under evaluation (DOT Statement, p. 5). It also notes that the extent of compliance with U.S. safety rules is likely to arise in proposed international transactions (DOT Statement, p.32).

Mayo Clinic supports the safety and public interest initiatives concerns advanced by the DOT. In this regard Mayo Clinic urges that safety compliance should be a primary concern and a key factor in all rail decisions.

CONCLUSION

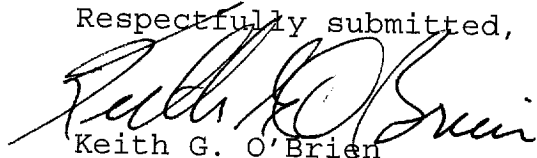
Mayo Clinic's interest in this proceeding originated with the advent of the DM&E Construction Project and the prospect of 37 coal trains a day which would have a severe negative impact on its patients, employees and the community. The concerns expressed in Mayo Clinic's initial statement are all the more compelling in light of the experiences which have been documented by the City of Cleveland and the State Of Ohio.

For all the reasons set forth in its prior submission and the statements submitted by the City of Cleveland, State Of Ohio and the U.S. Department of Transportation, Mayo Clinic renews its urgent requests (1) that the Board expand its review in this proceeding to encompass existing policies and regulations concerning railroad construction projects under 49 U.S.C. 10901

and, (2) that the Board reconsider and extend coverage of the proposed rules in STB Ex Parte No. 574 to include construction

proposals in view of the overriding importance of public health and safety.

Respectfully submitted,



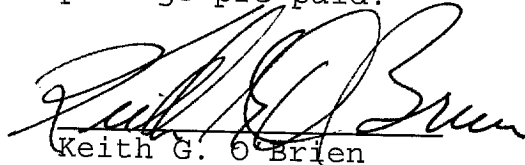
Keith G. O'Brien
Rea, Cross & Auchincloss
1707 L Street, N.W.
Washington, DC 20036
(202) 785-3700

Counsel for:
Mayo Foundation d/b/a
Mayo Clinic

DATED: June 5, 2000

CERTIFICATE OF SERVICE

I hereby certify that I have this 5th day of June, 2000, served the foregoing Reply of Mayo Foundation d/b/a Mayo Clinic upon all parties of record in this proceeding by first class mail properly addressed with postage pre-paid.


Keith G. O'Brien